

Dear Friend:

As the late-summer district work period ends and Congress soon returns to Washington D.C., I plan to provide you an update of the work you can expect the House of Representatives to address in the coming weeks and months. Major policy discussions are expected regarding pressing matters such as the federal budget, tax policy, and the war in Afghanistan. In the meantime, I thought you may be interested in some useful information involving new rules credit card companies must follow in their relationships with customers.

In recent months, you may have received notices from your credit card company related to changes in interest charges, billing dates, late fees, and other issues. These changes were prompted by the Credit Card Accountability Responsibility and Disclosure (Credit CARD) Act, signed into law on May 22, 2009. I voted for this measure to provide credit card holders with important rights and protections, the last provisions of which fully took effect on August 22, 2010.

Tired of ever-increasing interest rates and fees? You're not alone. A number of constituents had contacted my office asking for help negotiating with their credit card companies prior to the passage of this legislation. The Credit CARD Act provisions address issues such as protecting consumers from unexpected interest charges, requiring that consumers receive a reasonable amount of time to make their credit card payments, and addressing subprime credit cards by limiting the fees that reduce the amount of available credit.

Now, among other provisions, your credit card company:

- cannot charge you a late fee greater than \$25 unless you have made a late payment within the last six months, with certain exceptions
- cannot charge a late fee greater than your monthly minimum payment
- cannot change your Annual Percentage Rate (APR) without telling you why
- must send you a notice 45 days before it can increase your interest rate, change certain fees, or make other significant changes to the terms of agreement for your card
- must inform you how long it will take to pay off your balance if you make only the minimum monthly payment
- must include a late payment warning with the amount of the late fee and penalty APR
- cannot allow over-the-limit transactions unless you have authorized them
- cannot change your bill due dates, which will always be the same date each month
- must allow payment through the next Monday if your bill is due on a weekend
- must deliver your credit card bill at least 21 days before your due date

Of course, individuals are responsible for their own financial choices and behavior. These new rules are intended to provide basic protections for credit card customers and clear parameters

for credit card companies. For more information on the changes and how they might affect you, please visit <http://federalreserve.gov/creditcard/> .